NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

such part of the leased premises.

THIS LEASE AGREEMENT is made this

Sothbounpheng

## PAID UP OIL AND GAS LEASE (No Surface Use)

whose addresss is 3113 Jenus Tenus Title T

Single

2009, by and between

OUT OF THE, TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDED
IN VOLUME 335-11 , PAGE 57 OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS.
in the County of Tarrant, State of TEXAS, containing
2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of
otherwise maintained in effect pursuant to the provisions hereof.  3. Royalises on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, the royalty shall be
6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 60 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or lorizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed, by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of loss than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal competion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing
equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessees shall file of record a written declaration describing the unit and stating the effective date of pooling, reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by lifting of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-

## Page 2 of 3

8. The interest of either Lessor or Lessoe hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, deviseses, soncutors, attributations, successes and assigned, which is a supplemental of the parties hereunder shall be bindings. At charge in Lessoe's after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the setsferction of Lessee or supplemental properties and the parties of the control o

LESSOR (WHETHER ONE OR MORE)

operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

Bv: STATE OF Texas

COUNTY OF Tarriant

This instrument was acknowledged before me on the by: Thumbom Sthat bouraples, a single person ACKNOWLEDGMENT October day of 2009 IIIIIO MIINOZ LOPEZ Notary Public, State of Texas Notal My Commission Expires s name (print January 29, 2012 STATE OF COUNTY OF This instrument was acknowledged before me on the 2009 day of

> Notary Public, State of Notary's name (printed):

## SUZANNE HENDERSON

**COUNTY CLERK** 



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9 DALLAS, TX 75201

Submitter:

DALE RESOURCES LLC

## <u>DO NOT DESTROY</u> <u>WARNING - THIS IS PART OF THE OFFICIAL RECORD.</u>

Filed For Registration:

10/7/2009 9:30 AM

instrument #:

D209266630

LSE

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**PGS** 

\$20.00

By: Degan Henlews

D209266630

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: CAMADDOCK